

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Modification of Mail Classification Schedule for
Express Mail International Flat Rate Envelopes

Docket No. MC2012-30

PUBLIC REPRESENTATIVE COMMENTS
ON ADDITION OF PADDED FLAT RATE ENVELOPE
TO EXPRESS MAIL INTERNATIONAL (EMI) PRODUCT CATEGORY
(July 11, 2012)

The Public Representative hereby comments on the Postal Service's Notice filed pursuant to 39 U.S.C. 3642 and 39 CFR 3020.90 and 3020.91 of a minor classification change and conforming revision to the Mail Classification Schedule (MCS) for its Express Mail International (EMI) product.¹

I. INTRODUCTION

The Notice adds a Padded Flat Rate Envelope as a mailing option in addition to the current Regular Flat Rate and Legal Flat Rate envelope options in the EMI product category. The purpose is to increase customer options for users of EMI Flat Rate Envelopes. Notice at 1. The characteristics of the Padded EMI Flat Rate Envelope are identical to the existing EMI Flat Rate Envelopes. The dimensions are 12.5 inches by 9.5 inches, there is a 20 pound maximum weight limit and the prices of \$29.25 for Canada and \$38.00 to all other countries are the same. *Id.* The Postal Service believes the changes are consistent with 39 U.S.C. 3642 and should be incorporated into the MCS. *Id.* at 2.

The Postal Service's Notice pointed out that one day prior to its filing in this proceeding it filed a notice of change in rates of general applicability in Docket No. CP2012-39 pursuant to 39 CFR Part 3015 to add a competitive domestic Express Mail

¹ Notice of United States Postal Service of Classification Changes (hereafter Notice) June 25, 2012, at 1 and Attachment 1, Part B.

Padded Flat Rate envelope to the MCS.² Consequently, the Commission's notice in this docket indicated the Postal Service's plan here also appears to effect a change in rates of general applicability.³ Accordingly, the Commission's notice requested the Postal Service to address why a change in rates of general applicability similar to the filing in Docket No. CP2012-39 was not filed for the EMI change in this docket. Commission Notice at 2-3.

The Postal Service responded on July 5, 2012.⁴ It points out that although the domestic Express Mail Padded Flat Rate Envelope in Docket No. CP2012-39 initially will be offered at the same prices available for Regular and Legal Flat Rate Envelopes, the pricing for those items may differentiate in future rate adjustments. That is, the Postal Service's plan for the rates within that group of envelopes is to adjust the rates so that they will not remain identical in the future. Therefore, the notice of change for domestic Express Mail in that docket constitutes a change in rates of general applicability. Response at 3. On the other hand, the Postal Service plans that the EMI Padded Flat Rate Envelope prices will remain identical and so did not file for a change in rates of general applicability. *Id.*

II. COMMENTS

After review of the relevant documents, the Public Representative concludes that the addition of the Padded Flat Rate Envelope mailing option to the EMI product does not constitute modification of the MCS product list as defined in section 3020.30 of the

² Docket No. CP2012-39, Notice of the United States Postal Service of Changes in Rates of General Applicability for a Competitive Product, Established in Governors' Decision No. 12-1, June 22, 2012.

³ Notice and Order on Postal Service's Filing Affecting Express Mail International Padded Flat Rate Envelope (hereafter Commission Notice), Order No. 1386, June 28, 2012.

⁴ Response of the United States Postal Service to Information Request in Order No. 1386, July 5, 2012.

Commission's rules, does not constitute a change in rates of general applicability, and is consistent with 39 U.S.C. 3642 and 39 CFR 3020.90 and 3020.91.⁵

Section 39 CFR 3020.30 is inapplicable as the Notice does not propose to add a product to the MCs. The Postal Service's response to the Commission's notice request adequately explains the Postal Service's decision in this docket to file for modification of the EMI classification and MCS changes pursuant to 39 CFR 3020.90 and 91. The Postal Service's Notice accurately reflects a current offering and it does not constitute a change in rate or rates that would require a filing for a change in rates of general applicability under 39 CFR 3015.2 of the Commission's rules.

The Postal Service's explanation is supported by documents filed in Docket No. CP2012-39. The Decision of the Governors in that case expressly approved management's analysis that noted the prices of the envelopes would be the same initially, but that, "The pricing for these items may differentiate in future price adjustments."⁶ Thus, the filing in Docket No. CP2012-39 indicated the Postal Service plans to introduce new differential pricing for Express Mail envelopes. By contract, there is neither a Governor's decision nor a management analysis included with the Postal Service's Notice in this docket. No plans to differentiate rates are in evidence and the Postal Service has specifically stated it plans for the options "to have the same price." Response at 3. Nevertheless, the Postal Service would not be precluded necessarily from adjusting rates as needed. If, in the future, the Postal Service decides to differentiate the EMI envelope rates, it may file for a change in rates of general applicability to establish a separate rate category.

⁵ This is a minor modification to the EMI product. The new padded envelope flat rate option should have little or no effect on the overall cost coverage of EMI.

⁶ Docket No. CP2012-39, Notice of the United States Postal Service of Changes in Rates of General Applicability for a Competitive Product, Established in Governors' Decision No. 12-1, June 22, 2012, Attachment Governors Decision No. 12-1 and Management Analysis Express Mail Padded Flat Rate Envelope.

III. CONCLUSION

Pursuant to the Commission's notice and order requesting comment, the Public Representative believes the Postal Service's Notice is consistent with the policies of 39 U.S.C. 3642 and complies with 39 CFR 3020.90 and 3020.91 of the Commission's rules.

Respectfully submitted,

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